

## **ENGAGEMENT AGREEMENT**

1. Subject Matter: EBRO FOODS, INC. (hereinafter "EBRO"), an Illinois corporation doing business at 1330 W. 43<sup>RD</sup> Street, Chicago, IL 60609 [FEIN: 36-2553852], ph. (773) 696-0150; fx: (773) 696-0151, by and through its President Zenaida E. Abreu and by the authority of its Board of Directors, hereby retains and employs FORREST L. INGRAM, PETER L. BERK, PATRICK F. LAMBE, HELENA MILMAN, and GAUTHAM KAVETI of the Law Firm of FORREST L. INGRAM, P.C., [hereinafter "the Firm"] to be its attorneys to represent EBRO in a chapter 11 case to be filed in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division. The term "employ" is used here for the purposes and with the meaning given to it in 11 U.S.C. § 327, and for no other purposes and with no other meanings.

2. Retainer: EBRO agrees to pay to the Firm, in advance, a retainer in the sum of \$20,000.00. This "security retainer" will be deposited in the Firm's IOLTA account and drawn upon, pursuant to court orders approving fees, to compensate the attorney in whole or in part for the legal services to be rendered to the Debtor.

3. Services to be Performed: Services to be performed include but are not limited to the following: preparing and filing of the debtor's schedules and statement of affairs; representing the chapter 11 debtor at the first meeting of creditors; corresponding with the debtor, the trustee, and creditors; handling matters of an "Adversarial" nature; preparing a disclosure statement and plan; and representing Debtor at various hearings.

4. Costs and Fees: EBRO also agrees to advance to the Firm before filing the required filing fee and administration fee of \$1039.00, and to pay all costs and expenses incurred by the Firm in connection with the chapter 11 case. EBRO understands that such costs and expenses include, but not by way of limitation, court fees, costs of expert witnesses, investigators, researchers, court reporters, transcriptions of oral testimony, document photoduplication, faxing, necessary travel, and the like.

5. Hourly Rates: EBRO understands and agrees that the Firm will bill for services at the customary hourly rate of its employees, and that rates will increase on the 1st day of January each year. During 2009, the customary hour rates are: Forrest Ingram, \$440; Peter Berk, \$275; Patrick Lambe, \$225, and Helena Milman, \$200, and Gautham Kaveti, \$175. The hourly rate of all law clerks is currently \$90.

6. Payment Not Conditioned on Success: EBRO agrees to pay or cause third-party non-creditors to pay the Firm's fees accrued during the chapter 11 case or accrued after confirmation and closure of the case, whether EBRO completes a successful reorganization or "prevails" in any litigation or whether its bankruptcy case and/or any adversary proceeding is dismissed or decided adversely to EBRO'S interests. EBRO agrees to pay or cause others to pay the Firm such fees as are ordered by the Court within fifteen (15) days of the entry of such order, and any fees billed after confirmation or dismissal within 15 days of receipt of invoice. The Firm retains the right



to withdraw immediately if any check of a client is returned for insufficient funds.

7. Cooperation and Conflict Resolution: EBRO and its officers and other professionals agree to cooperate with the Debtor's counsel in providing accurate and complete information needed for analyzing the financial condition and promoting the interests of EBRO. EBRO through its President and/or its Vice-President agrees to attend all meetings required by the Bankruptcy Court and the Rules, and to fulfill its duties as debtor in possession under the Bankruptcy Code. If there should arise any difference of opinion or conflict about any matter, Debtor agrees to discuss the matter first with the Firm to resolve any matter, before seeking outside advice. EBRO agrees to seek in good faith to resolve any dispute about attorney services or fees with its attorneys prior to submitting such dispute to any tribunal for arbitration or adjudication. Should the Firm incur costs to collect fees ordered by the Bankruptcy Court or incurred after confirmation or dismissal of the case, EBRO agrees to pay those costs, including reasonable attorney fees.

8. Excluded Services: EBRO understands and agrees that the Firm is not providing any accounting services, and that it is the responsibility of EBRO, with the assistance of its accountant, to file all tax returns and to pay all taxes due, including estate taxes and payroll taxes, in a timely manner; further, any appeal to be pursued relating to the subject matter of the Firm's representation will require a separate employment agreement with the Firm. EBRO understands that it may, with permission of the Bankruptcy Court, engage an accountant and/or special counsel to assist in the performance of the Debtor's duties under chapter 11.

AGREED: EBRO FOODS, INC.

By



Zenaída E. Abreu, President

Dated: March 18, 2009.

#### ACCEPTANCE

I, FORREST L. INGRAM, on behalf of FORREST L. INGRAM, INC., agree to represent EBRO FOODS, INC., in accordance with the terms set forth above in the above Engagement Agreement.



FORREST L. IN'GRAM

Dated: March 18, 2009